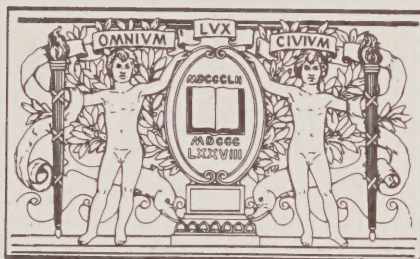


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Review and Summary
of
Creating the Future:
Opportunity, Innovation, and Growth
in the Massachusetts Economy,

Michael S. Dukakis, Governor
Commonwealth of Massachusetts;
Alden S. Raine, Director
Governor's Office of Economic Development

Alexander Ganz, Assistant Director
and Gregory Perkins, Deputy Director
Policy Development and Research
Boston Redevelopment Authority

September 9, 1987

The Record

The Massachusetts miracle is real. The growth record is extraordinary. From 1976 to 1986 Massachusetts gained 853,000 jobs, a rise of 31%, in one decade, surpassing the 26% increment for the nation as a whole. Per capita income growth was even more spectacular. In 1980, Massachusetts per capita income was 7% above the national average; in 1986, this spread had widened to 21%.

A broad array of public programs, measures and instruments, marshalled by Governor Dukakis, in support of Massachusetts business firms, through aid in technology and finance, forged a genuine legend of successful public-private partnership.

The fiscal achievement has been exemplary in raising revenue and channeling aid to cities and towns. An ambitious infrastructure program is broadening the base for economic growth and enhancement of the quality of life.

Successful initiatives in education and training have been widely heralded.

Governor Dukakis has cemented a partnership with Mayor Flynn and Boston and other communities for advancing vital neighborhood projects and programs.

Housing initiatives of importance are being carried out.

Environment enhancement and major transportation infrastructure projects are underway.

An enviable record of achievement is documented in the 82 page report replete with the tally of good works.

The nation would do well to emulate the Massachusetts model of technical and financial assistance to business enterprise, the partnership with communities, and the goals of opportunity and access. A summary of the report is included in the review.

"Creating the Future" - A Summary

Creating Opportunity

Massachusetts has experienced extraordinary growth in jobs and per capita income. In the course of the 1976 - 1986 decade, Massachusetts gained 853,000 jobs, an increase of 31%, in comparison with 26% for the nation, and per capita personal income increased from \$7,004, in 1976, to \$17,722, in 1986, a rise of 153%, in relation to 120% for the nation. Relative to the nation, per capita income in Massachusetts was 5% higher, in 1976, and 21% higher, in 1986.

The fiscal achievement has been outstanding. Ambitious measures, programs and policies, have been matched by even greater flows of revenue. The State is in very fine fiscal health. Large scale programs of infrastructure development and renovation have been launched. New instruments are providing technical assistance and financing for the business enterprise.

The Opportunity to Innovate

Among the host of measures, programs and policies that have been enhanced and marshalled are new roles for the Massachusetts Industrial Finance Agency, an Industrial Services Program, a focus on depressed communities, a range of Heritage State Parks, the cleansing of Boston's harbor, expansion of the metro transportation system, tourism promotion, a program for mature industries, monitoring of plant closing notice, and a program of working with the state's industry.

For "creating tomorrow's technology", the State assists innovative investors, founded the Massachusetts Technology Development Corporation, and established Centers of Excellence which unite business, academic and government efforts to advance technology in five designated centers, - micro-electronics, biotechnology, polymer plastics, photovoltaics, and marine sciences.

For the "Workers of Tomorrow", the State is carrying out the mandate of the Education Reform Act of 1985 and providing state aid to school districts, higher education support, and job training.

Spurring "The Spirit of Innovation", the State has established a new agenda, including a Center for Applied Technology and Productivity, industrial greenhouse incubators for small ventures, a "Buy Massachusetts" campaign, research and development support, and a reduction of business taxes.

Opportunity for Everyone

The State is dedicated to accessing opportunity for everyone - minorities, lagging communities, depressed regions. State programs, measures and policies are geared to opportunity for Boston's minority community, promoting the Southwest Corridor development in a joint endeavor with Mayor Flynn, encompassing the Parcel 18 project and the role of minority business enterprise. The State is fielding programs in Southeastern Massachusetts, the Northern Berkshires, and the Blackstone Valley. The State is financing opportunity through six programs, including the Community Development Finance Corporation, the Massachusetts Government Land Bank, the Community Development Action Grant Program, Economic Development set-asides for small cities, State Assisted Urban Renewal, and the Thrift Institutions Fund for Economic Development.

For "City and Town Centers", the State is promoting a decade-old program for growth, and investing in centers like Lowell. Measures include the CARD program, Commercial Area Revitalization District.

The Massachusetts Housing Partnership focuses on the need for 40,000 dwelling-units a year, in comparison with the actual 1975 - 1985 record of 20,000 annually. Programs include 15,000 new homes for first time buyers, 74 Massachusetts Housing Partnerships with cities and towns, affordable housing, public housing, an affordable rental housing program (SHARP, Columbia Point),

home ownership, land use preference for housing in Boston's Southwest Corridor, and abandonment.

"Opportunity for All" is provided through the Employment and Training Program (ET), including 30,000 placements and the Massachusetts Day Care partnership.

Opportunity to Grow

The State marshalls programs for infrastructure and the environment. These include programs for land and water, parkland, farmland preservation, wetland, water, protection from waste, and the seacoast. For Boston Harbor, there are programs for parkland, Massport's activities, water transportation, and Harborpark. There are programs for the Cape and the Islands.

For transportation, there are programs for the Central Artery, the Airport, the Seaport, MBTA modernization, the new harbor tunnel, the rail system, and Route 128. For "Tourism", there is more budget and the Worcester Centrum.

Conclusion

Massachusetts can accomplish most of its agenda by the year 2000, - retooling mature industries and establishing fledglings.

Our city, town and neighborhood centers can be rebuilt.

Boston Harbor can be cleansed and the port and waterfront restored.

Old mill towns can be sound economies again.

Tourism and convention business can thrive.

Women and people of color can be full participants.

We will have to train and retrain men and women for the more intellectually demanding economy.

We will have to ensure a more ample supply of decent, affordable housing.

We will have to bring down the barriers to access.

Development must meet our highest standards of environmental quality.

A partnership of business and labor, academia and community, people and government can do all these things.

Septmber 9, 1987

Ganz - Perkins "Creating Future"

EMPLOYMENT
BOSTON, MASSACHUSETTS, AND UNITED STATES
1976-1986

	Thousands of Workers			Percent Composition			Percent Change
	=====			=====			
	1976	1986	Change	1976	1986	Change	
	=====	=====	=====	=====	=====	=====	
BOSTON							
Manufacturing	53,800	38,887	(14,913)	10.52%	6.39%	-4.13%	-27.72%
Finance	64,700	89,217	24,517	12.66%	14.67%	2.01%	37.89%
Services	168,300	237,231	68,931	32.92%	39.00%	6.08%	40.96%
Other	224,400	242,888	18,488	43.90%	39.93%	-3.96%	8.24%
Total	511,200	608,223	97,023	100.00%	100.00%	0.00%	18.98%
MASSACHUSETTS							
Manufacturing	605,650	633,455	27,805	22.26%	17.73%	-4.53%	4.59%
Finance	171,178	271,829	100,651	6.29%	7.61%	1.32%	58.80%
Services	684,280	1,101,942	417,662	25.15%	30.84%	5.69%	61.04%
Other	1,259,588	1,566,027	306,439	46.30%	43.83%	-2.47%	24.33%
Total	2,720,666	3,573,253	852,587	100.00%	100.00%	0.00%	31.34%
UNITED STATES							
Manufacturing	19,375,000	19,475,400	100,400	19.40%	15.44%	-3.97%	0.52%
Finance	6,093,300	9,628,100	3,534,800	6.10%	7.63%	1.53%	58.01%
Services	20,518,300	32,272,400	11,754,100	20.55%	25.58%	5.03%	57.29%
Other	53,873,000	64,790,500	10,917,500	53.95%	51.35%	-2.60%	20.27%
Total	99,859,600	126,166,400	26,306,800	100.00%	100.00%	0.00%	26.34%

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis and Boston Redevelopment Authority.

GWP 09/02/87

PER CAPITA INCOME AND TOTAL PERSONAL INCOME,
MASSACHUSETTS, NEW ENGLAND, AND THE U.S.
1976, 1980, 1986

I. Per Capita Income

A. Index (U.S. = 100)	1976 =====	1980 =====	1986 =====
New England	104	106	117
Massachusetts	105	107	121
United States	100	100	100
B. Dollars (Current Year)	1976 =====	1980 =====	1986 =====
New England	\$6,920	\$10,542	\$17,166
Massachusetts	\$7,004	\$10,612	\$17,722
United States	\$6,651	\$9,919	\$14,641

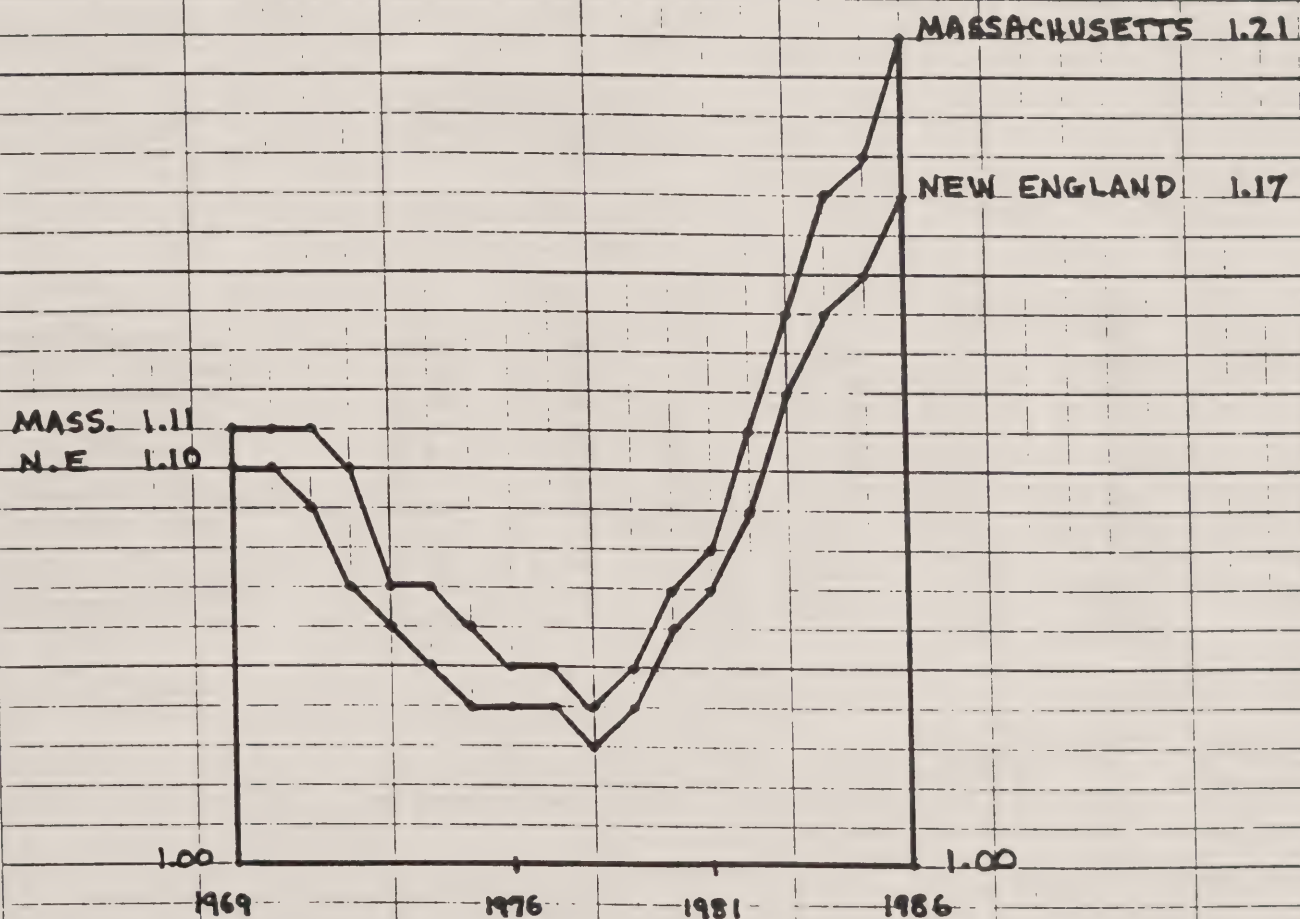
II. Personal Income (Billions of Dollars)	1976 =====	1980 =====	1986 =====
New England	\$84.479	\$130.367	\$218.635
Massachusetts	\$40.268	\$60.945	\$103.353
United States	\$1,477.002	\$2,254.076	\$3,529.522

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis
and Boston Redevelopment Authority.

GWP 09/08/87

PER CAPITA PERSONAL INCOME
PERCENT OF NATIONAL AVERAGE

1969 - 1986



SOURCE: U.S. DEPARTMENT OF COMMERCE,
BUREAU OF ECONOMIC ANALYSIS;
BOSTON REDEVELOPMENT AUTHORITY.

GWP 9/4/87

AVERAGE ANNUAL WAGES
BY INDUSTRY, 1980-1985

CITY OF BOSTON

INDUSTRY -----	1980 ----	1981 ----	1982 ----	1983 ----	1984 ----	1985 ----
ALL INDUSTRIES	15,827	17,186	18,811	20,051	21,284	22,721
FEDERAL GOVERNMENT	20,125	22,954	24,580	25,727	27,232	28,420
STATE GOVERNMENT	14,990	15,908	18,941	20,063	22,548	24,714
LOCAL GOVERNMENT	20,165	20,212	20,551	21,099	20,023	19,923
CONSTRUCTION	19,938	22,287	25,179	25,918	27,065	28,620
MANUFACTURING	16,740	18,030	19,806	20,747	22,475	24,513
TRANSPORTATION-PUB.UT	22,514	24,577	26,678	28,730	28,485	30,219
WHOLESALE TRADE	19,191	20,527	22,307	23,232	24,863	27,721
RETAIL TRADE	8,910	9,509	9,894	10,559	12,044	11,968
FINANCE	18,396	19,733	21,879	24,507	26,632	28,976
SERVICES	13,422	15,056	16,712	17,805	18,982	20,203

AVERAGE ANNUAL WAGES
BY INDUSTRY, 1980-1985

BOSTON METRO AREA

INDUSTRY -----	1980 ----	1981 ----	1982 ----	1983 ----	1984 ----	1985 ----
ALL INDUSTRIES	14,800	16,200	17,600	18,700	19,945	21,355
FEDERAL GOVERNMENT	20,400	22,500	24,000	25,200	25,902	26,862
STATE GOVERNMENT	14,300	15,300	17,800	18,900	21,409	23,600
LOCAL GOVERNMENT	16,100	17,300	18,300	19,300	19,581	20,324
CONSTRUCTION	18,200	20,195	22,200	23,500	24,186	25,349
MANUFACTURING	18,000	19,700	21,600	23,100	25,755	26,643
TRANSPORTATION-PUB.UT	20,000	22,000	23,600	25,350	25,541	26,890
WHOLESALE TRADE	19,100	20,600	22,200	23,400	25,122	27,412
RETAIL TRADE	8,300	8,900	9,400	10,100	10,973	11,586
FINANCE	16,400	17,700	19,500	21,600	23,380	25,457
SERVICES	13,000	14,600	16,100	17,100	17,631	19,449

AVERAGE ANNUAL WAGES
BY INDUSTRY, 1980-1985

MASSACHUSETTS

INDUSTRY -----	1980 ----	1981 ----	1982 ----	1983 ----	1984 ----	1985 ----
ALL INDUSTRIES	13,800	15,100	16,300	17,343	18,418	19,612
FEDERAL GOVERNMENT	19,200	21,400	22,900	23,921	24,998	25,687
STATE GOVERNMENT	14,000	15,000	17,100	18,610	20,937	23,350
LOCAL GOVERNMENT	14,400	15,400	16,500	17,500	18,034	18,981
CONSTRUCTION	16,800	18,600	20,200	21,032	22,096	23,153
MANUFACTURING	16,400	18,000	19,700	21,065	22,580	24,212
TRANSPORTATION-PUB.UT	18,700	20,600	22,000	23,424	23,824	25,062
WHOLESALE TRADE	18,100	19,400	20,900	22,121	23,748	25,641
RETAIL TRADE	7,800	8,400	8,800	9,442	10,155	10,715
FINANCE	15,200	16,500	18,100	19,930	21,422	23,336
SERVICES	11,900	13,300	14,600	15,540	16,438	17,640

RATIO OF AVERAGE ANNUAL WAGES
BY INDUSTRY, 1980-1985

BOSTON TO METRO AREA

INDUSTRY -----	1980 ----	1981 ----	1982 ----	1983 ----	1984 ----	1985 ----
ALL INDUSTRIES	1.07	1.06	1.07	1.07	1.07	1.06
FEDERAL GOVERNMENT	0.99	1.02	1.02	1.02	1.05	1.06
STATE GOVERNMENT	1.05	1.04	1.06	1.06	1.05	1.05
LOCAL GOVERNMENT	1.25	1.17	1.12	1.09	1.02	0.98
CONSTRUCTION	1.1	1.1	1.13	1.1	1.12	1.13
MANUFACTURING	0.93	0.92	0.92	0.9	0.87	0.92
TRANSPORTATION-PUB.UT	1.13	1.12	1.13	1.13	1.12	1.12
WHOLESALE TRADE	1	1	1	0.99	0.99	1.01
RETAIL TRADE	1.07	1.07	1.05	1.05	1.1	1.03
FINANCE	1.12	1.11	1.12	1.13	1.14	1.14
SERVICES	1.03	1.03	1.04	1.04	1.08	1.04

RATIO OF AVERAGE ANNUAL WAGES
BY INDUSTRY, 1980-1985

BOSTON TO MASSACHUSETTS

INDUSTRY -----	1980 ----	1981 ----	1982 ----	1983 ----	1984 ----	1985 ----
ALL INDUSTRIES	1.15	1.14	1.15	1.16	1.16	1.16
FEDERAL GOVERNMENT	1.05	1.07	1.07	1.08	1.09	1.11
STATE GOVERNMENT	1.07	1.06	1.11	1.08	1.08	1.06
LOCAL GOVERNMENT	1.4	1.31	1.25	1.21	1.11	1.05
CONSTRUCTION	1.19	1.2	1.25	1.23	1.22	1.24
MANUFACTURING	1.02	1	1.01	0.98	1	1.01
TRANSPORTATION-PUB.UT	1.2	1.19	1.21	1.23	1.2	1.21
WHOLESALE TRADE	1.06	1.06	1.07	1.05	1.05	1.08
RETAIL TRADE	1.14	1.13	1.12	1.12	1.19	1.12
FINANCE	1.21	1.2	1.21	1.23	1.24	1.24
SERVICES	1.13	1.13	1.14	1.15	1.15	1.15

SOURCE: MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY, ES-202 SERIES.
BRA RESEARCH DEPARTMENT, AUGUST 10, 1987.

